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**BEFORE THE DIRECTOR OF THE DEPARTMENT OF FINANCE
OF THE STATE OF IDAHO**

STATE OF IDAHO, DEPARTMENT OF
FINANCE, CONSUMER FINANCE BUREAU,

Complainant,

vs.

DCN HOLDINGS, INC. dba
ACCOUNTSRECEIVABLE.COM,

RESPONDENT.

Docket No. 2021-9-06

**VERIFIED COMPLAINT FOR ORDER TO
CEASE AND DESIST AND FOR MONETARY
PENALTY**

AND

**NOTICE OF THE OPPORTUNITY TO
REQUEST A HEARING**

The State of Idaho, Department of Finance, Consumer Finance Bureau (Department), pursuant to the Idaho Collection Agency Act, Idaho Code § 26-2221 *et seq.* (the Act), hereby alleges the following facts that constitute a basis for the issuance of: an order pursuant to Idaho Code § 26-2244(1) of the Act, requiring DCN HOLDINGS, INC. dba ACCOUNTSRECEIVABLE.COM, (DCN) to immediately cease and desist from violating the Act, to include engaging in unlicensed

debt collection activity in Idaho; an order pursuant to Idaho Code § 26-2244(2)(a) against DCN for a civil penalty of not more than \$5,000 per violation; and an order directing DCN to cease from all future violations of the Act unless and until they are licensed. The Department also provides the underlying notice of the opportunity for hearing.

FACTUAL AND LEGAL ALLEGATIONS

1. The Director of the Idaho Department of Finance (Director) has jurisdiction over this matter.

2. DCN is a Florida based corporation, which holds a commercial collection license through the Florida Office of Financial Regulation. From information filed with the Florida Secretary of State, DCN lists its principal address as 1806 33rd Street, Suite 180, Orlando, Florida. Karla L. Brown is identified as Respondent's president and registered agent.

3. DCN has never applied for, nor ever been, issued any license under the Act.

4. The Department previously issued an Order to Cease and Desist Docket No. 2019-9-02 against DCN on February 11, 2019, for engaging in unlicensed collection activity in the State of Idaho. Respondent did not file a response or request a hearing in that matter.

5. On September 9, 2021, Idaho resident, K.K. filed a complaint with the Department regarding DCN's collection activity against him.

6. In his complaint, K.K. stated that he received a collection letter and a phone call from DCN regarding a past due invoice that K.K. allegedly had with one of DCN's clients.

7. The letter, a copy of which was included with K.K.'s complaint, was dated August 17, 2021, and stated that it was attempting to collect a debt and that K.K. could "clear [his] account immediately by sending...payment in full."

8. K.K. stated that after receiving the letter on August 26, 2021, a representative for DCN, "William Brown," called him and attempted to collect on the alleged debt. K.K. went on further to indicate that Mr. Brown told him if he didn't pay the balance that DCN's client claimed K.K. owed, DCN would "see [him] in court."

9. On September 22, 2021, the Department sent a certified letter to Respondent requesting all of Respondent's documents relating to the alleged debt owed by K.K. The Department also directed Respondent to cease all collection activities in Idaho and to provide information necessary for the Department to determine the extent of Respondent's unlicensed debt collection activities in Idaho. Further, that letter advised Respondent of the license requirement for engaging in collection activities regulated under the Act in Idaho, and informed Respondent of the possible sanctions under the Act for unlicensed activity. The letter also informed Respondent of the process for obtaining a license. The Department required that Respondent provide all of the requested information by October 8, 2021. No response was received by the Department and, according to the certified tracking receipt, the letter was "refused" upon delivery on September 27, 2021.

10. Idaho Code § 26-2223 provides as follows, in pertinent part:

26-2223. Collection agency, debt counselor, or credit counselor permits.

– No person shall without complying with the terms of this act and obtaining a license from the director:

(1) Operate as a collection agency, debt counselor, credit counselor, or credit repair organization in this state.

* * *

(2) Engage, either directly or indirectly, in this state in the business of collecting or receiving payment for others of any account, bill, claim or other indebtedness.

* * *

(5) Engage in any activity in this state which indicates, directly or indirectly, that a third party is or may be involved in effecting any collections.

11. Per Idaho Code § 26-2222(4), the term “collection agency” “means a person who engages in any of the activities enumerated in subsections (2) through (6)” of Idaho Code § 26-2223, the language in subsections (2) and (5) of which are set forth in the previous paragraph.

12. Respondent’s acts of engaging in debt collection activity in Idaho without a license to do so, as referenced above, constitute a violation of Idaho Code § 26-2223(1), (2), and (5).

13. Respondent’s conduct may also have violated Idaho Code § 26-2223(3), which provides that “no person shall...[s]olicit or advertise in this state to collect or receive payment for another of any account, bill, claim or other indebtedness” without a license issued under the Act.

14. DCN maintains a website at accountsreceivable.com. At the “About Us” page on DCN’s website, DCN states the following:

LICENSING

DCN Holdings, Inc. DBA AccountsReceivable.com is compliant with all state licensing requirements.

This statement is false.

15. The Director is authorized pursuant to Idaho Code § 26-2244 to order:

a. any person to cease and desist from acts or practices that constitute a violation of the Act,

- b. the imposition of a civil penalty of \$5,000 for each violation of any provision of the Act,
- c. that the person violating the act pay costs including reasonable attorney fees and reimbursement of investigative efforts.

16. The Department reserves the right to amend this Verified Complaint or seek a new action against DCN should it learn of new facts demonstrating additional unlicensed or other activity in violation of Idaho law for which the Department has enforcement authority.

PRAYER FOR RELIEF

17. The Department requests and prays for the entry of an order by the Director pursuant to Idaho Code § 26-2244(1) and (2):

- a. Finding that DCN has engaged in business in Idaho constituting that of a collection agency without a license as required from the Department, and further directing DCN to cease and desist its unlicensed collection agency activity in Idaho unless and until DCN obtains a license therefor;
- b. Finding that Karla Brown and any other owners, employees, principals, agents, or affiliates of DCN knew or should have known that DCN engaged in business in Idaho constituting that of a collection agency without a license and directing DCN to cease and desist any unlicensed collection agency activity in Idaho, directly, or indirectly unless and until DCN or they individually obtain a license therefor or engage in such conduct as may be permitted on behalf of a duly licensed collection agency;
- c. Requiring DCN to pay a civil monetary penalty in the amount of \$5,000 per violation for unlicensed activity, in the total amount of \$5,000 pursuant to Idaho Code § 26-2244(2)(a);

- d. Awarding the Department reasonable attorney fees and investigative costs as determined by the Director; and
- e. Imposing such further and additional relief as the Director deems appropriate.

NOTICE OF DUTY TO ANSWER AND NOTICE OF RIGHT TO HEARING

18. Pursuant to Idaho Code §§ 26-2244(2) and 67-5242, and IDAPA 04.11.01.270.01 (IRAP 270), a hearing will be granted to DCN if a written answer contesting the allegations or relief sought and requesting a hearing is received by the Department, within twenty-one (21) days following the mailing of this Notice, the date of which is set forth in the below Certificate of Mailing. The answer must be mailed to the Department's counsel:

Thomas A. Donovan
Deputy Attorney General
Idaho Department of Finance
P.O. Box 83720
Boise, Idaho 83720-0031

Alternatively, the DCN may email any answer and request for hearing to the email address of the undersigned counsel: tom.donovan@finance.idaho.gov or to the following email address CFLegal@finance.idaho.gov.

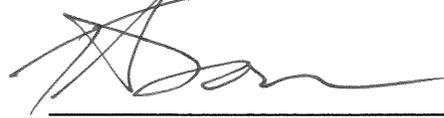
19. Upon receipt of an answer and request for hearing, the Director will likely appoint a hearing officer. The hearing officer will set the time and place for the hearing and the procedures for the hearing shall be in compliance with the Idaho Administrative Procedures Act (title 67, chapter 52, Idaho Code) and the Idaho Rules of Administrative Procedure (IDAPA 04.11.01).

20. Failure of DCN to file and serve an answer within the time prescribed shall be deemed a waiver of the opportunity for a hearing and to contest the allegations in the Verified

Complaint, and the Department will seek to have the Director enter a default order granting the relief sought in this complaint.

DATED this 3rd day of November 2021.

STATE OF IDAHO
OFFICE OF ATTORNEY GENERAL

A handwritten signature in black ink, appearing to read 'Tom Donovan', written over a horizontal line.

By THOMAS A. DONOVAN
Deputy Attorney General

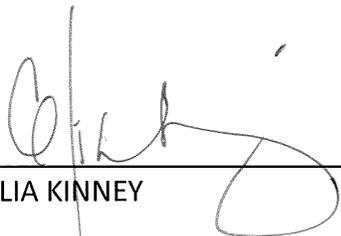
VERIFICATION

STATE OF IDAHO)
) ss.
County of Ada)

CELIA KINNEY, Idaho Department of Finance Consumer Affairs Officer, being first duly sworn, deposes and says:

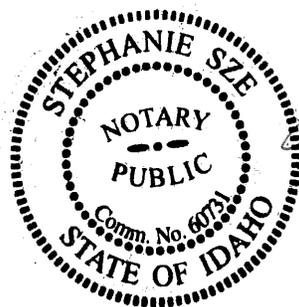
I have read the foregoing Verified Complaint for Order to Cease and Desist and For Monetary Penalty and Notice of the Opportunity to Request a Hearing, and know the contents thereof; and that the same are true to the best of my knowledge and belief.

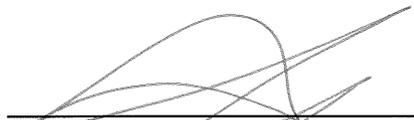
DATED this 3rd day of November 2021.



CELIA KINNEY

SUBSCRIBED AND SWORN to before me this 3rd day of November 2021.





Notary Public for Idaho
Residing at: Meridian, ID
My Commission Expires: 11/30/2024

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 3rd day of November 2021, I caused a true and correct copy of the foregoing fully-executed VERIFIED COMPLAINT FOR ORDER TO CEASE AND DESIST AND FOR MONETARY PENALTY AND NOTICE OF THE OPPORTUNITY TO REQUEST A HEARING to be served on the following by the designated means:

DCN Holdings, Inc.
dba AccountsReceivable.com
1806 33rd St, Suite 180
Orlando, FL 32839

U.S. mail, postage prepaid
 Certified mail
 Facsimile: 1-877-730-5805
 Email:

Karla Brown,
Registered Agent for DCN Holdings, Inc.
1806 33rd St, Suite 180
Orlando, FL 32839

U.S. mail, postage prepaid
 Certified mail
 Facsimile: _____
 Email:

Paralegal